

March 4, 2008

To: All Interested Parties

The 2003 State Legislature passed statutes (77-2-361 through 367 MCA) authorizing the Department of Natural Resources and Conservation (DNRC) the ability to sell state school trust land and utilize those funds to purchase replacement lands for the school trust through a process called Land Banking. To date, the DNRC and the State Board of Land Commissioners have sold 19,189 acres of Trust Land and purchased 24,315 acres of replacement lands.

The intent of Land Banking is for the state to sell scattered tracts of land that generally lack legal access, generate little revenue or are small and difficult to manage and to purchase property that is blocked or contiguous to state land, has legal access, has potential for increased revenue and is more efficient to manage.

The DNRC is considering the sale of the School Trust Land listed on the attached spreadsheet. These tracts are located in Chouteau, Hill, Blaine, Fergus, Wheatland and Golden Valley counties. The majority (54 of 72) of the tracts proposed for sale are nominated by DNRC due to their small size, inefficiency for management and lack of recreational utility. The other 16 tracts were nominated by Lessee's and met DNRC criteria for sale of low income production, lack of legal access or low recreational use value. In total 72 parcels containing 9,822 acres are proposed for sale in these counties.

We are currently conducting an analysis under the Montana Environmental Policy Act (MEPA), of the impacts that may occur as a result of the proposed land sale. The analysis will be completed for all of the tracts under consideration prior to presenting a list to the Land Board for preliminary approval. If approval is received from the Land Board, DNRC will then conduct appraisals to estimated value and recommended a minimum bid price for each tract proposed for sale. The list will then be brought back before the Land Board to establish a minimum acceptable bid for each tract and approval to proceed with the sale process.

By this letter, DNRC is seeking comments under MEPA regarding the possible sale of these tracts. Comments will be considered if received no later than March 28, 2008 and may be sent to:

Clive Rooney, Area Manager
Northeastern Land Office
P.O. Box 1021
Lewistown, MT 59457

Comments are an important part of the MEPA process and are appreciated. If you have further questions you may contact me at (406) 538-7789 or email at clrooney@mt.gov.

Sincerely,

/s/ Clive Rooney

Clive Rooney, Area Manager
Northeastern Land Office